

THE SUEZ CANAL CRISIS AND INDIA

INFORMATION SERVICE OF INDIA
NEW DELHI

Class No.....

[illegible]

CONTENTS

PAGES

1. Prime Minister Nehru's Statement in the Lok Sabha
on August 8, 1956 1—6
2. Shri V. K. Krishna Menon's Speech at the Fifth
Plenary Session of the London Conference held on
August 20, 1956 7—26
3. Shri V. K. Krishna Menon's Speech at the Seventh
Plenary Session of the London Conference held
on August 22, 1956 27—37
4. Prime Minister Nehru's Statement in the Lok Sabha
on September 13, 1956 38—40
5. Excerpts from Shri V. K. Krishna Menon's Speeches
on Matters of Procedure at the London Conference. 41—46

With the compliments of

The Ministry of External Affairs

(External Publicity Division)

New Delhi,

The 24th Oct 1956

Canal. The Canal itself is in Egypt and an integral part of Egypt. The sovereignty of Egypt is thus beyond question. This is recognised both in the Charter given to the Company in 1856 by the Viceroy of Egypt, under the Ottoman Empire, as well as in subsequent agreements and until as late as 1954. The original Charter of 1856, which set out the terms of the canal concession, provided that the Canal "shall always remain open as a neutral passage to every merchant ship crossing from one sea to another without any distinction, exclusion, or preference of persons or nationalities....."

The Convention of Constantinople of 1888 reiterates that the Canal shall always remain free and open.

The position in regard to the sovereignty of Egypt, on the one hand, and the character of the international waterway is well set out in the Anglo-Egyptian Agreement of 1954, negotiated by the Governments of the United Kingdom and Egypt.

The House would be interested in the formulations in this Agreement which is a very recent Agreement between Egypt and the United Kingdom, two of the main parties in the present crisis—

Article 8 reads: "The two contracting Governments recognise that the Suez Maritime Canal, which is an integral part of Egypt, is a waterway economically, commercially and strategically of international importance, and express the determination to uphold the Convention guaranteeing the freedom of navigation of the Canal signed at Constantinople on the 29th October 1888".

The sovereignty of Egypt, on the one hand, and the character of the waterway as one "of international importance" is recognised in a solemn agreement by Egypt and the United Kingdom, and they both have also expressed their determination to uphold the Convention of 1888.

The Suez Canal Company is an Egyptian Company and, in Egypt's view, subject to the laws of the country. The shares are held, except for a small portion, by foreign governments or nationals. The British Government hold 44 per cent of the shares. There are 32 directors on the Board: nine British, sixteen French, five Egyptian, one American and one Dutch.

The concession of the Suez Canal Company would have expired in 1968 and Egyptian Governments, the present and previous ones, have publicly declared that the Concession would not be renewed. The assets and obligations would then have reverted to Egypt under the Agreement of 1856.

The present decision of the Egyptian Government therefore would appear to ante-date the taking over by them of the Company. No question of expropriation has arisen since the shareholders are to be compensated at market value. Even if there remain any outstanding differences in this matter, they do not call for developments which lead to an international crisis.

The Egyptian Government have also reiterated that they will honour all their obligations arising from international agreements, and in their reaffirmation have referred both to the Convention of 1888 and to the Anglo-Egyptian Agreement of 1954.

The French and the United Kingdom Governments reacted to the Egyptian announcement quickly, sharply and with vehemence. Hon. Members of the House have seen Press reports of military and naval movements ordered by the United Kingdom and France, and some military measures in Egypt. These have received much publicity and have aggravated the situation. All this has influenced public opinion not only in Egypt but all over the Arab world. In Asia as a whole, with its colonial memories, great resentment has been aroused.

I have no desire to add to the passions aroused, but I would fail in my duty to this House and the country and even to all the parties involved in this crisis, and not least of all to Britain and France, if I do not say that threats to settle this dispute, or to enforce their views in this matter by display or use of force, is the wrong way. It does not belong to this age and it is not dictated by reason. It fails to take account of the world as it is today and the Asia of today. If this were all, we could perhaps possess ourselves in patience and reflect that the mood will pass. But it would be unrealistic and imprudent not to express our deep concern at these developments and point to their ominous implications. We deeply regret these reactions and the measures reported to be taken in consequence, and we express the hope that they will cease and the parties will enter into negotiations and seek peaceful settlements.

We also much regret that, in the steps that have led up to this crisis, there has been no exercise by one side or the other of their respective or common initiative to inform or consult one another.

We have great respect and regard for the sovereignty and dignity of Egypt and for our friendly relations with her. The Egyptian nationalisation decision was precipitated by the Aswan Dam decision of the United States Government in which the United Kingdom Government later joined. More than the decision, the way it was done hurt Egypt's pride and self-respect, and disregarded a people's sentiments.

The suddenness of the nationalisation decision and the manner in which it has been implemented may have contributed to the violent reactions. But the terms of the nationalisation itself under the laws of Egypt are within the province of that Government.

As I informed the House some days ago, the Suez Canal issue was not discussed between President Nasser and myself when we met recently. The consideration of it and the concerned decision must have been made later.

The Governments of the United States, United Kingdom and France have held urgent and prolonged consultations and their views are set out in a joint communique which Hon. Members must have seen in the Press reports.

This communique recognises the sovereign rights of Egypt but appears to limit these sovereign rights to nationalise only assets, which in the words of the communique are "not impressed with an international interest". If this was the point at variance, the violence of the reactions and the warlike gestures — I would still hope they are not war-preparations — were unnecessary and have been grievous in their results.

The three powers also agreed that a conference of the parties to the Convention of 1888 and other nations largely concerned with the use of the Canal should be held on the 16th of August 1956 in London in which they agreed to participate. The United Kingdom has in pursuance of this decision extended an invitation to 23 countries which are: Australia, Ceylon, Denmark, Egypt, Ethiopia, Federal Republic of Germany, France, Greece, India, Indonesia, Iran, Italy, Japan, the Netherlands, New Zealand, Norway, Pakistan, Portugal, Spain, Sweden, Turkey, the U.S.A. and the U.S.S.R. The Government of India received an invitation from the United Kingdom on the 3rd of August to a conference in London "on the Suez Canal question." Prior to this, the United Kingdom Government kept the Government of India informed of developments.

Aware as they are of the extreme gravity of the situation that has developed and of the circumstances that obtain, the Government have given anxious and careful consideration to all aspects of this question, including the reply to the invitation. The Government have also been in contact with interested countries, including Egypt.

It has always been quite clear to the Government that they could not participate in any conference which bound its participants beforehand to the conclusion to be reached. The Government would equally decline participation in any arrangements for war preparations or sanctions or any step which challenged the sovereign rights of Egypt. They have also been concerned at the exclusion from the

list of invitees of various countries who should be included in the categories of signatories to the Convention of 1888 or of principal users. Without seeking to make invidious distinctions, I would like to say to the House that the exclusion of Burma is to us a particularly regrettable omission. Yugoslavia, by virtue of being a succession State in respect of the Convention of 1888 and a maritime power, should also have found a place among the invitees. The Government of India, therefore, do not subscribe to the appropriateness of the list of invitees.

They have sought clarifications from the United Kingdom Government and feel assured that their participation in the conference does not in any way imply that they are restricted to or bound by the approach and the principles set out in the joint communique. They recognise that Egypt could not and would not participate in a conference on the Suez Canal to which she is merely an invitee and in respect of which there have been no consultations with her.

The Government of India had to take a decision in the situation as it confronted them. India is not a disinterested party. She is a principal user of this waterway, and her economic life and development is not unaffected by the disputes, not to speak of worse developments, in regard to it.

Even more, India is passionately interested in averting a conflict. She is in friendly relations with Egypt, and associated with her in the acceptance of the Bandung Declarations and the "Five Principles". India has also good and close relations with the principal Western countries involved. Both these relations are held in great esteem by us, as this House and all the world knows. The considerations and the criteria on which the Government had to base their decision, and not an easy one, is how best they could serve the cause of averting conflict and obtaining a peaceful settlement before it is too late. The House will appreciate the gravity of the situation as the Government have done. The settlement of this problem, on the basis of the sovereignty and dignity of Egypt, and by agreement amongst all concerned, and the abandonment of postures of threats and violence, and of unilateral action by either party, are therefore of the utmost concern to India.

The Government therefore obtained the necessary assurances from the United Kingdom and made their own position quite clear. They have satisfied themselves that their participation in the London Conference will not injure the interests or the sovereign rights and dignity of Egypt. With the sense of grave responsibility that rests on them, the Government have decided to accept the invitation and to send representatives to the Conference.

They have kept in close contact with Indonesia and Ceylon and with others who, broadly, have a similar approach and attitude to that of India on this question.

The Government are well aware that this conference can reach no final decision for that requires the agreement of Egypt.

Sir, the House, I am aware, shares the grave concern of the Government in this matter. In all humility, I ask to share with them the hope that the participation of India will assist in the endeavour for a peaceful settlement.

**SHRI V. K. KRISHNA MENON'S SPEECH AT THE FIFTH
PLENARY SESSION OF THE LONDON CONFERENCE HELD
ON AUGUST 20, 1956**

Mr. Chairman, on the day of the opening of this Conference when my Delegation had occasion to intervene, although ostensibly on matters of procedure, I had the opportunity to explain the context in which the Government of India is represented at this Conference; we are here by kind invitation of the United Kingdom Government for which we are thankful. We are also here at this time, when we are discussing a problem of extreme gravity, to assist if we can in opening the way for a peaceful settlement of the situation that concerns us. So whatever contribution my Delegation makes in this matter is directed to that end.

So far as our own country is concerned the Suez Canal is as much what is called a "lifeline" in the economic and social sense, as it is for the more advanced and industrialised countries of the west. Nearly 76 per cent or so of our imports and just under 70 per cent of our exports go through this Canal. As you said the other day, in the plans for the industrialisation and for the economic development of India, popularly called the Five Year Plan, we are very much dependent upon capital goods to undertake the necessary developments as well as to export such products as we have in order to obtain the foreign exchange that is necessary for the purpose. So we will not approach this problem from an academic or legalistic angle but with a full sense of the reality of its impact upon countries all over the world, particularly the countries of Asia; and so far as we are concerned, with understandable self-interest, our own.

We are also deeply moved and very much influenced by the fact that it is not only the interest of our country in obtaining the sustenance that is required for carrying on our trade and commerce and our economic life, but also that, in the present critical situation that has arisen, the alternatives to a peaceful approach to a settlement are very grim indeed. It is this that weighs upon our mind, and should weigh upon our mind, in the consideration of this problem. Therefore, while the legal arguments, the constitutional arguments, the researches from history and various other factors can be adduced in support of one view or another, they all fade into insignificance in the consideration of what is the best way, the best possible way, of making this Conference the first step in the progress towards a peaceful settlement.

I also said, Sir, on the first day that we have reservations with regard to the composition and the character of this Conference, and

we deeply regret the absence of Egypt from our midst. We have recorded the view before the Conference and afterwards, that no final solutions, or even approaches to final solutions, are possible without the participation of the country most concerned. While we have said all that, we still consider that our labours here may lead to the next step towards the fulfilment of our object. It is in the context of great tension in Egypt and in the Arab countries, great feeling in the Asian Continent and Africa, and of the military movements and precautionary measures elsewhere which has been given a great deal of publicity in the world, and therefore in the content of tension and suspicion and fear, and what is more, of the alarm that is felt in the minds of people about the grim prospect if failure of our efforts should eventuate, that we are here.

On the 26th July, arising from circumstances which are not relevant to this particular discussion here, the Government of Egypt decided to nationalise the Universal Suez Canal Company. I think we ought to keep the fact well in mind that everything that has happened has occurred in regard to the Suez Canal Company. Nobody has built any blockhouses, or barrages, or barriers in the Suez Canal. The action that has resulted in the present situation is the nationalisation, that is, the taking over, by the Government of Egypt, of the Universal Suez Canal Company, the constitution and the history of which all of you know. As a result of that there has been much alarm in countries concerned. There have been, as I said, precautionary military movements of a character which has created alarming reactions. There has been much high feeling, and so on, and, whether our appreciation is right or not, the statesmen of the world have to contribute the best of their wisdom, and their patience, and their restraint if we are to avoid the horrors that might flow if there is to be a conflict.

My Government is particularly concerned to point out that the failure by us to resolve this problem peacefully would have consequences which would go far beyond Egypt or far beyond any of the countries concerned, and, in the present state of the world, where no problem can be isolated from the context of international events and international relations generally, these consequences deserve our very serious consideration. Many factors have been set out, some of which are relevant to this discussion, some of which are not. So far as my delegation is concerned it is not our business at the present stage to enter into discussion of the rightness or wrongness of other things, which may concern other countries in one part of the world or another. That is to say, we would like to confine this question to the sole problem of how the functioning of the Suez Canal can be ensured if there is a danger to it, and secondly to how the difficulties that have now arisen can be resolved. Therefore, we must

avoid any temptation to go into other fields of connected problems, either involving the prestige of countries, or their ambitions, or their fears, or of the merits or otherwise of one man or one government. We would also say that, in international affairs, when we have to deal with countries, it is the approach of my Government that we have to take their internal structures and their administration, and their governments and their leaders as they are; it is not possible for us to approach problems by first desiring a change of government or constitution or personnel in another country.

But, at the same time, there are facts which are relevant to this discussion, on which I shall briefly touch, and they are not put forward in order to add to controversy, but merely to assist myself, and I hope those who listen to me to become aware of comment which may be of assistance. We have in this room heard so many times from different quarters reference to the Suez Canal Company as an international organisation. We have heard it referred to as though it were responsible for all that was connected with the Suez Canal in the way of its use by the world community. I would like to say that the actual factual position of the Suez Canal Company is that it is a concessionaire from the Egyptian Government. Its status, legal, factual or otherwise, is derived from the concession granted by Egypt in the exercise of such sovereign rights as existed at that time and have been inherited by others. It is a concessionaire, and it has no rights to any property or anything else apart from what flows from that concession. Secondly, it is necessary to bear in mind always that the Suez Canal Company cannot be identified with the Suez Canal. The Suez Canal Company is only the agency that operates the Canal. At the same time, while the previous agreements, present agreements and indeed the consensus of views in this Conference recognise the sovereign rights of Egypt, and that the Canal is an integral part of Egypt, it is necessary to state that this waterway, which connects two great oceans and carries along it a very considerable volume of the world's traffic, has an international character. That has been mentioned even from the very beginning; in fact, if the Canal had no international character there would have been no necessity for the convention of 1888. To this I shall refer later.

Now the place of the Company in the whole of the Suez Canal problem is that of operating the services and carrying out those things which they agreed to do when they took over the concession, which incidentally they have not carried out to a certain extent even today, and they were always under the protection of the state whether that state was a province of the Ottoman Empire or later an independent Egyptian state. That is to say, the state that had

authority in Egypt was responsible for enabling the Suez Canal Company to function. The Company was also founded under Egyptian law, and it is so set out in its charter, with this difference, that as between the parties, the non-Egyptian partners in the corporation, if any dispute arose, it would be decided by French law. But so far as the position of the Company in Egypt is concerned it has always been under Egyptian law, and it has been so held, and I think the United Kingdom Government has in its submissions before the Mixed Tribunals at various times insisted on the Egyptian character of the Suez Canal Company. In the Firman of 2nd February, 1866 it was said: "The Universal Maritime Canal Company of Suez being Egyptian is governed by the laws and usages of the country." That is part of the document in this case. The United Kingdom Government in its memorandum of 12th April 1939 to the Mixed Court of Appeal took this point of view; it is quite true they lost the case, so I am told. "The Company is a moral person confirmable to Egyptian private law, and its nationality, and its nature, are purely Egyptian, and, the contrary theory not being capable of being sustained, it is subjected to Egyptian law."

Therefore, the question of nationalisation, in the view of my Government, was an act which was within the competence of the Egyptian Government. I think, however, that my Government would like it to be stated that there are, in the manner in which the nationalisation was carried out, features which have led to the present aggravated situation. We would like to have seen that nationalisation carried out in the normal way of international expropriation, where there is adequate notice, and the way of taking over is less dramatic and does not lead to these consequences, but the fact that the manner of nationalisation is vitiated by that does not alter the fact that the rights of the Egyptian Government to nationalise the company are in question. If, however, there are issues in connection with nationalisation, whether there are parties involved who have suffered adversely, or whether there are claims against the Egyptian Government, or against any other party I would submit, Mr. Chairman, that they are not factors which should lead to an international crisis. They are factors which should either be settled at law in the Egyptian court, or the International Court, or by diplomatic negotiations. In any case the interests of the shareholders of the Canal, or even the financial or other interests of any party, even of a country, should not be the cause of an international crisis of this kind.

But to look at this thing in this way is perhaps superficial and legalistic. The real question here is that the change that has come

about in the ownership of the canal has created in the minds of some of its users, all over the world, apprehensions and the feeling that all may not be well and that new arrangements are required. Whether that is true or not, whether that is defensible or not, is what we have to consider.

I said a while ago that the Canal Company — and in the course of the debate on this, in the consideration of this problem, we have inevitably mixed up many matters which have nothing to do with the Suez Canal Company — now those matters are the main problems to which we have to address ourselves. If we look at the documents in this case we find that there is reference to the Suez Canal Company in the Convention of 1888, but the Convention of 1888 also says that it is to survive independently of the Suez Canal Company. So, even if the Suez Canal Company went out of existence, as it would have done in 1968, the obligations arising from the Convention would still continue. Therefore the problems that we are now concerned with, in my submission, are not altogether within the competence of the Suez Canal Company, so, unless we get this matter right, it will not be possible for us to make an approach to the problem whereby peaceful steps can be taken for negotiations and a settlement.

Now what are these problems? The first of these is freedom of navigation. Freedom of navigation is guaranteed by the Convention of 1888, and here, without disrespect to anybody, it may be pointed out that the Convention itself was the result of the desire at that time, to limit the unfettered right of one nation to have too much to do with the Canal. So the freedom of navigation is one of these problems that confronts us, and my Government yields to no one in considering that freedom of navigation in terms of the Convention of 1888, and the subsequent documents, in conformity with international law and usage, must always be maintained. But that freedom of navigation is not sustained by the owners of the Suez Canal Company, nor is it one of the obligations that the Company has to carry out. That is an obligation of the signatories of the Convention of 1888 on the one hand, and, so far as this particular problem is concerned, the Egyptian Government. These the Government of Egypt undertook. Therefore, when we examine this problem our outlook is to see whether that provision of the Convention would be maintained or not.

The second problem is the question of security, that is the security of ships passing through the Canal, the corollary problem to the freedom of navigation, that there are no physical obstructions, and so on. Now it is obvious that this problem can only be dealt with by the co-operation and the assistance, indeed, by the authority, of the Egyptian State. Freedom of navigation is an obligation which the

Egyptian Government has to undertake in pursuance of the Convention of 1888 and of international law, and we should in our consideration of this problem see whether we have any information of the disregard of this obligation and what can be done about it.

It has often been said that in spite of the freedom of navigation clauses there has been obstruction to navigation in one instance. Now, again with great respect — and I do not intend to quote the instance, because it has emotional contexts — there have been other instances in years gone by where freedom of navigation has been threatened in the same way, but in the present instance the contention of the Egyptian Government is that the obstruction to navigation or the denial of passage to a particular nationality is consistent with the provisions of the Convention because it is bound up with the security of Egypt. My Government does not seek to pronounce on it, but if the controversy is on the interpretation of the Convention, not of a wilful violation of it, then the right procedure is for the aggrieved party to go to the World Court, and we would be the first to say that if the verdict of the World Court goes against the Egyptian Government then they ought to abide by it. In other words, we do not consider that an alleged infringement of the Convention, or any obstruction to freedom of navigation in support of which legal justification is argued, is a matter that can be politically settled, and, I think, in any negotiations that go on, Egypt should be asked to accept the findings of the World Court in regard to any cases of that kind.

On the other hand, if the freedom of navigation is obviously violated and wilfully violated, then it would attract the other provisions of international law, including the Charter of the United Nations.

The third of the problems that face us is the question of the tolls and charges in connection with the Suez Canal. When the Egyptian Government nationalised the Suez Canal Company they made statements which have created alarm, that is to say, about requiring funds for the building of irrigation projects in their country. And, certain circumstances having occurred rightly or wrongly they have proclaimed that the nationalisation of the Suez Canal Company and making it Egyptian Government property, and good property at that, was carried out in order to finance these irrigation projects. Our understanding of this problem, after discussions and consideration of all the contexts that appertain to this question, is that any use of Canal funds for the internal purposes of Egypt would be confined to the legitimate profits that come from the Canal. I think it would be a serious thing if there was any raiding of nest eggs, if there was any diminution of the capital and equipment of the Canal, or any action harmful to its

future, taken for an immediate purpose. Our understanding — and we cannot speak for the Egyptian Government, we can only convey to this Conference what is our understanding — of the present position with regard to this, that is to say, the use of the Canal funds or the income derived from the Canal for the internal purposes of Egypt, is that it stands in the same class as the profit derived by the former directors, owners and shareholders of the Canal Company. That is to say, what is derivable from it as profits would be used for that purpose, and the Egyptian Government — its calculations may be wrong or right, some people think they are wrong — considers that those profits would enable them to make up certain deficiencies. But it has not been argued, in our presence at any rate, that those profits would be sufficient for the total capital that is required for these irrigation projects.

This may be regarded as an internal matter inside Egypt, but, on the other hand, it is this fear that the Canal would be used for some exclusively national purpose that is part of the trouble. In this case, if anything I have said, is of any use, then that goes some way in assisting in this problem. Therefore, we would have to consider that, in the desire to find more funds for internal purposes there is no mulcting of the international community, that is to say, the tolls and the charges are not put up in such a way as to make it impossible for traffic to flow through it economically. But against that there are these two considerations: first of all that the tolls are regulated in terms of the Convention and should be even more so in the near future, as we shall seek to point out. Secondly, I think it has got to be taken into account that if the Egyptian Government, who now own the Canal operation, wants to make a profit, the only way it can do it is to run it on an economic basis; that is to say, if the tolls of the Canal were so raised as to make it uneconomical for users to avail themselves of the services, for example, if the oil users of the world were to find pipelines more profitable than the Canal, then it would be indulging in an act of suicide in trying to put these tolls up higher than they are now. We can understand again that there is no desire to do this, and in any negotiated agreement, it is possible to discuss these matters and come to an arrangement whereby the tolls and charges would not be of such a character as to militate against the universal use of the Canal. In the view of my Government, this would be the right thing to do in this connection, and I shall return to it later.

The next problem is the discrimination against employees of the Company. There again we think, when we deal with this problem, it should be possible to write into the international agreement that there shall be no discrimination of that kind by the Canal

Company in regard to employees of non-Egyptian origin who are now in the service of the Company. This again is not a problem — in spite of all national feelings — which is not amenable to negotiations.

The next problem is the question of the efficiency of operation. This efficiency of operation divides itself into two categories; one is the day-to-day work of the maintenance of the Canal and of piloting the ships through it, and the other is the question of improvements. A great deal has been said about this, and I have heard it said in this room and elsewhere that Egypt, with its economy, with its small population and comparatively small resources, would not be able to undertake the vast developments that are necessary. Of course, for those who approach this problem from the angle of the views expressed in such statements, this may be an alarming piece of information, but when we examine this problem more closely, we see that the development of the Suez Canal has been planned by the old Suez Canal Company in a series of programmes. They completed the seventh programme, I believe, two years or so ago; now they are in the middle of the eighth programme, and after the eighth there will be the ninth. All the amount of money required is known and that amount of capital would be available from the Canal revenue itself. What I am pointing out is that there need be no undue fear, unless of course the party concerned is inclined to violate everything, and that it is not an economic proposition that the Canal's revenues would not sustain the kind of legitimate improvements that the Company itself has planned. It has, however, been suggested in some quarters that these improvements in the eighth programme have been slowed down somewhat and that the problem is to increase the efficiency in this respect. When we come to make proposals we shall refer to this once again.

The Canal Company's concession would have come to an end in 1968. Therefore, apart from the manner in which the nationalisation was effected, and the consequences and the atmosphere of crisis it has created, it would appear that the act of nationalisation has been antedated by these twelve years. It was very well known to all the countries of the world that after 1968 these concessions would not be renewed. The concession was due to expire in 1963, and in that case the functions of the Company in regard to the administration of the Canal would have been taken over by Egypt. The 1949 agreement, recognising that the concession was due to terminate in the near future and that the Canal would revert to Egypt, provided for the acceleration of the recruitment of Egyptian

personnel. For some time the Suez Canal Company itself has been working in the knowledge that this change would have to take place.

With regard to the attitude of the Egyptian Government in this matter, it is important for us to realise that not only the present Government of Egypt, but no Egyptian Government, has been willing to extend this concession. The Egyptian Government refused to entertain the proposal to extend the concession in 1910, and the Egyptian parliament unanimously voted down a proposal, and more recently the Egyptian Government and its predecessors have turned down a proposal for the extension of the concession. What is more, the fact was known to the Canal Company, and in the *Suez Canal Fact Sheet*, the Canal Company's publication, this statement occurs: "In anticipation of the 1968 transfer to Egypt, the Company is consistently increasing the number of employees of Egyptian nationality at all levels." That is a thoughtful and liberal approach to the problem. I quote that point to demonstrate that the termination of this agreement would have to come some time, and so, all these problems we are now speaking about, about freedom of navigation and the neglect of the canal conditions, and so on, would have come about, if they are likely to come about, in 1968, instead of now. What has happened is the antedating of this position.

In order to meet these problems of freedom of navigation, of maintaining the Canal in good condition, of its security, of keeping the tolls at the proper level, of avoiding discrimination against employees, of seeing that the shareholders are properly compensated and so on, this Conference and the various governments have put forward proposals. When we were called together, the communique of the three powers who had taken the step of calling us together, if I may say so with respect, quite legitimately, in order to consider a situation of world importance, set out the purpose as that of devising an international system to prescribe a remedy. I would like, therefore, to examine this, and see whether this will meet the present crisis, apart from considerations whether it would be acceptable, whether it is possible, and finally if it is not possible, if it is sought to be imposed, what would be the consequences.

First of all, the internationalisation that is proposed is not of the Suez Canal, it is not of the land around it or of any Egyptian territory, it is merely of the Company, that is to say, the Egyptian Government has put, in place of the old Egyptian Canal Company, the new Egyptian Corporation for the Suez Canal. It is proposed in these ideas that an international corporation or unit should take its place. The effect of that is to repeal the act of nationalisation;

not to repeal it in the sense of replacing what was before, but to substitute an international body. Let us assume that this was done; would that help to resolve the problems we have in mind? Would the new corporation be in any better position than the Canal Company to guarantee freedom of navigation, unless the Egyptian Government and the other parties in the world concerned were willing to carry out the provisions of the Convention of 1888? The point I am trying to make is that freedom of navigation has nothing to do, or very little to do, with the composition or character of the Suez Canal Company. The Suez Canal Company did not guarantee freedom of navigation; in fact, when the Suez Canal Company was in ownership, and what is more when British troops were in occupation of the Suez Canal, it was at that time that freedom of navigation was obstructed. I am not saying they were responsible for it, but what I am saying is this that the only party, the only agent, that can guarantee freedom of navigation is the party which is in control of the Government of Egypt; that either means that the existing Government of Egypt must guarantee and carry out the guarantee of freedom of navigation or other steps taken must include the establishment of control over that Government; that is to say, it is only the political and governmental power in Egypt that can guarantee freedom of navigation. The same applies to the question of security. It is in the experience of the great nations that security of foreign property or even municipal property of any country is largely dependent upon the co-operation of the authorities and the public opinion in the country concerned. These responsibilities of freedom of navigation and security were placed on the shoulders of the Egyptian Government under the Agreements of 1856 and ratification of 1866 and also the Convention of 1888, which provided that all facilities should be given in this way. The Convention of 1856 laid down:

“We solemnly declare, on behalf of ourselves and successors, subject to the ratification of His Imperial Majesty the Sultan that the great Maritime Suez Canal and its dependent ports shall always be open, as a neutral waterway, to all commercial vessels passing from one sea to the other, without distinction, exclusion or preference of persons or of nationalities, subject to payment of dues and the fulfilment of regulations established by the universal concessionary Company for the use of the said Canal and its dependencies.”

And the responsibility for seeing that this was carried out rested with the Egyptian Government. In old times it was provided that if the Egyptian Government did not find it had the means to

do so it had to resort to the Ottoman Sultan for any assistance required but this did not take away from the Egyptian Government the responsibility for so doing.

Among the remedies proposed, therefore, are the setting up of an international body — I would not like to give it a label — the purpose of which, we have been told in the speeches that have taken place before, is not to leave the Canal in the unfettered control of one country or one power: but the factual position is that the rulers of Egypt, whoever has sovereign power in Egypt, are really the only people who can guarantee freedom of navigation. So far as our problem in this issue is concerned it lies in finding ways and means by which the Egyptian Government is under a solemn obligation to the international community and under the obligations of law, and of the Charter of the United Nations to carry out this particular obligation and therefore it largely is a matter of the Convention of 1888 than of the Suez Canal Corporation.

The second of these problems was the question of tolls. We do not think there is any difficulty in trying to work out this question of tolls by agreement and fixing the maximum that can be collected; and in fact until now the tolls have not exceeded that maximum. The Suez Canal Company is the only concern in the world where prices have gone down rather than up, and that is largely due to economic conditions. Therefore, the provision that already exists in the Convention should remain. If it is necessary we are going to propose that afterwards there should be a review of the charter, and this question of permissible tolls could then be written into it and thereby become an international obligation.

The third problem is with regard to the maintenance, and my Government would say that this question of maintenance and the improvement of the Canal cannot be considered in the abstract. It is quite true that if an unlimited amount of money were available there could be two or three canals and a great deal of improvement could be carried out; but obligations in this matter are in the programme set out by the Suez Canal Company. That is the minimum and that minimum also should be the responsibility of the Egyptian Government which has taken over the Canal Company. I have no doubt that in any review or revision of the Charter the Egyptian Government would undertake that obligation because it can be paid for from the revenues of the Canal, and the plans are there and it is part of the normal process of the working of the Corporation.

Another remedy that is suggested is that the whole of this Canal organisation, both the operational organisation and everything concerned in it should in some way come under the United Nations.

my country yields to no one in its allegiance to the U.N. Charter or the desire to promote the healthy activities of the United Nations; but, Mr. Chairman, I should like to be told where in the law of the United Nations there rests the power to go round the world and establish control over institutions. I have not seen anything in the Charter that enables the United Nations on its own initiative to go and impose itself or to find itself in a position of authority. If the United Nations or anything else — all of us from whatever country — has to come into this business, the initiative has to come from the Egyptians. There is nothing in the law of the United Nations, there is no provision anywhere that enables the United Nations to be seized of this matter out of its own cognisance and be able to establish a United Nations Authority. It is quite true that if the Egyptian Government were to agree for the Canal to become a Specialised Agency, as has been suggested in one of the speeches, of some other kind of agency, that would be possible. But that means the exercise of Egypt's sovereign will and governmental powers in establishing that position and therefore even if this remedy was a remedy it means that negotiations would have to be entered into with Egypt. Therefore, the problem is one of finding ways and means of seeing where the present difficulties in regard to the two or three points I have mentioned stand in relation to the U.N. Charter, and to the Convention which already exists and of providing the machinery.

As regards the institution of an international authority over the Government of Egypt, from the debates that we have heard here and discussions in the world, it would appear that this is a new problem that has just now come up and to which somebody is putting up resistance! In fact, for a long time there have been propositions of internationalisation of the Suez Canal. The first of them was in 1880 when the Khedive's Government were asked by Ferdinand de Lesseps to sell the Canal to the European Maritime Powers in order to ensure its international and neutral character. In 1880, in the period leading up to the Treaty of Constantinople, when the Canal Company was in financial difficulties. M. de Lesseps recommended its sale to the Powers in order to ensure its international character. Now comes the Khedive's reply—he did not know anything about present difficulties—the Khedive's reply was that he "could not admit even in principle the sale of the Canal or the creation of an international administration on its own territory. On the other hand, M. de Lesseps, having only the concession, could never have the right of selling the Suez Canal as it was an Egyptian Company and therefore subject to the laws and customs of the Ottoman Empire".

There have been since then various attempts from different parties for internationalisation. There have been international

jurists, lawyers, people, who wanted to promote international understanding, who wanted the internationalisation of the waterways of the world. That is a proposition which goes beyond the purposes of this Conference and no one has suggested that we should examine this question of bringing under international control the world's waterways. But it has to be recalled that there have been very serious objection from the great Western Powers to internationalisation. This came up at the Treaty of Versailles and the United Kingdom objected at that time. In 1924 the Government of Zaghlul Pasha — it was the other way round that time — thought it was one way to put an end to the occupation of Egypt, and it was also proposed then. Therefore, the problem of the internationalisation of the Canal has a variegated history, but as far as the development of an international corporation inside Egypt is concerned, it has been refused by every Egyptian regime that ever has had to do with it. What is the importance of this? The importance of this is that, irrespective of whoever may be the head of the Egyptian Government, responsible public opinion of Egypt will not be favourable and will not take kindly to the imposition of a regime that is not their own, in that country.

If this is the case then our remedy would seem to lie in incorporating, in attempting to refurbish the Convention of Constantinople in such a way as to put all these matters beyond doubt and also to provide such machinery as the old Convention itself has provided for, seeing to the ensurement or the observance of those conditions and it is for that purpose that we propose to make some suggestions. But in this connection, I think it is useful to recall that Article 8 of the 1888 Convention has already anticipated this position, and provided for the supervision of the performance of the Treaty. Unfortunately, that Article has lain dormant and has not been operated but, of course, it could be brought to life again and the Egyptian Government in accepting the Convention of 1888 would be bound by this Article as by any other. The Article says:

“The Agents in Egypt of the Signatory Powers of the present Treaty shall be charged to watch over its execution. In case of any event threatening the security or the free passage of the Canal, they shall meet on the summons of three of their number under the presidency of their Doyen, in order to proceed to the necessary verifications. They shall inform the Khedivial Government of the danger which they may have perceived, in order that that Government may take proper steps to insure the protection and the free use of the Canal. Under any circumstances, they shall meet once a year to take note of the due execution of the Treaty”.

Now, if today those dangers arise then in any new arrangements, refurbished arrangements, of the Convention this part of the Treaty could be brought into operation, and the fact that it has lain dormant does not in any way alter the character of the thing itself. The question arises whether the present Egyptian Government would honour those obligations. Now, so far as the pronouncements of the Egyptian Government are concerned, they say, they would honour those obligations. The answer is made that they have not honoured certain obligations, and the instance quoted is that of the obstruction of the vessels of a particular country going through the Suez Canal — that point I have already dealt with a while ago. But the President of the Egyptian Republic speaking on 31st July, said:

“We are as ever determined to honour all our international obligations and both the Convention of 1888 and the assurances concerning it given in the Anglo-Egyptian agreement of 1954. These would be fully maintained but the freedom of navigation in the Suez Canal is neither affected nor involved in any manner or to any degree”.

These are the facts of the present situation and, therefore, in our view what is required is a re-examination of the Convention of 1888. Included in that Convention in very specific form are assurances in regard to these problems. They already exist in their clauses, and particularly in regard to the maintenance and conditions of the Canal, the tolls and so on. These should have the character of a solemn obligation, the Convention being registered with the United Nations and any breach of it would invite the appropriate sections of the Article of the Charter of the United Nations, that is to say, if it is a breach then that breach would invite the appropriate section of the Charter.

In the view of my Government any attempt to introduce other methods of observing treaties would not only be unacceptable to many countries, including Egypt, but apart from that it would be disregarding the law of the U.N. Charter. That is to say, we have made progress towards some sort of world obligations in matters of this kind. Egypt is a member of the United Nations bound by the provisions of the Charter and with this treaty, a treaty that is of this character, registered with the United Nations, the violation of it would become a major matter and ensurement in this case is at the treaty level.

Now, we come to the organisation side. It is our view that in spite of all legal matters, the day-to-day operation of the Canal should be efficient. This matter, I submit, Mr. Chairman, is an issue in which the rest of the world can assist in bringing about a situation

where the operation of the Canal is assisted. That is to say, if there is a crisis there is no departure from the employment of the corporation of experienced pilots and so on. Then the management of work will go on pretty smoothly. While the operation of the Canal requires great expertise and a great deal of technical knowledge, it is not to be forgotten that a greater part of the vessels that navigate this Canal have been through there a hundred times and there are Egyptian pilots, there are other pilots, and the Egyptian Government should make conditions of work sufficiently attractive and give guarantee for their employment so that foreigners shall not have to leave. For instance, the penal provisions for those who leave the service of the Company: there are those provisions, which although they are regrettable, there has been apparently very little operation of them, and we are informed, for what it is worth, that the provisions against employees leaving were intended to prevent the Canal falling into disuse so that the service should not stop. For the reasons the question of the Suez Canal Corporation itself, the nationalization, has been accomplished, some people will look upon it as a *fait accompli* about which very little would be done. We would say that it was an act that was legitimate and legitimately taken, and therefore should be left as it is.

Now, the question is to what extent can the interest of the users make an impact upon its administration. That I think is very largely a matter of negotiation. I think that the interests of the users must be sought, be obtained by advice, by consultation, by representations and in a large measure, and in the course of the negotiations which I hope will follow from this Conference it should be possible to consider whether the user interest can be associated with the Corporation itself.

It would be improper in any suggestions that I have made to set out in detail what constitution or arrangements could thus be accomplished because the party who must agree to these arrangements, namely Egypt, is not here. Anything that savours of imposition is not likely to establish the desired results. We are told at this Conference that the best method of dealing with this is to place the Canal Company under an International Corporation. It is a legitimate question to ask: how is this to be done? There are only two ways of doing it: either you impose a decision or it has to come by agreement. The Egyptian Government having nationalised the Canal is most unlikely to agree to de-nationalise it. They have also already stated they will not permit an infringement of their sovereign right, as they consider it, and that they are quite competent to carry out the work of the Canal. Therefore, since our interest in this Canal is not a political one, it is a user interest, and that user interest

can best be served by negotiation, by trying to make the interest a mutual one by persuasion by making Egypt a party to a solemn agreement which comes under the obligations of international law and of the Charter of the United Nations. Therefore, the changes in respect of the operation part can be suggested by users of the Canal as provided in Article VIII of the Convention, or otherwise pointed out to the management to show what is required, what is remiss, and what contribution can be made, and which way they should look. Such pressure, which is in the interests of Egypt as well, will have its weight, and therefore, it is desirable to have a body of this kind.

Secondly, we should consider whether it is possible for the user element to be associated in some way with the Corporation. My delegation have deliberately refrained from putting forward suggestions which are too specific. The reason is that we believe that it is possible by negotiation to come to arrangements that are mutually satisfactory. We believe equally that the achievement of that end will be considerably obstructed by any attempt *ex parte* to prescribe this remedy, and therefore the proposals we are making are in the way of opening the door to bring about these arrangements.

Having said that, I want to read out the draft that my delegation has made which we consider would be a basis for negotiating a peaceful settlement. It does not in any way go into great detail, but each of these headings that come on the second page of this paper has formed the subject of the observations that I have now made. The formulation in the paper itself is brief, but it covers all the various provisions, the checks and balances, and after all, all our social systems can only work in the way of checks and balances, and these checks and balances provide the guarantees that are necessary. Therefore my delegation would like to submit that:

“Realising that it is imperative that a peaceful and speedy solution to the situation concerning the Suez Canal, in accordance with the principles of the Charter of the United Nations, must be found and the way for negotiations opened without delay on the basis of:

1. The recognition of the sovereign rights of Egypt.
2. The recognition of the Suez Canal as an integral part of Egypt and as a waterway of international importance.
3. Free and uninterrupted navigation for all nations in accordance with the Convention of Constantinople of 1888.
4. The tolls and charges being just and equitable and the facilities of the Canal being available to all nations without discrimination.

5. The Canal being maintained at all times in proper condition and in accordance with modern technical requirements relating to navigation.
6. The interest of the users of the canal receiving due recognition.

Recalling that the Convention of 1888 sets out as its purpose the establishment of a "definitive regime destined to guarantee at all times and for all powers the free use of the Suez Canal",

Taking note that Egypt has declared even as late as July 31, 1956, that she is determined to honour all her international obligations and recalling the Convention of 1888 and the assurances concerning it given in the Anglo-Egyptian Agreement of 1954,

Make the following proposals in the belief that they will provide the basis for negotiations for a peaceful settlement:

Freedom of navigation, charges, maintenance and efficiency

I That the Constantinople Convention of 1888 be reviewed to reaffirm its principles and to make such revisions as are necessary today and more particularly incorporating the provisions in regard to just and equitable tolls and charges and the maintenance of the Canal as set out in 4 and 5 above.

Conference

II. That all steps, not excluding a conference of the representatives of the signatories of the 1888 Convention and all user nations of the Canal, for the above (I) be considered.

International User Interests

III. That consideration be given without prejudice to Egyptian ownership and operation, to the association of international user interests with "The Egyptian Corporation for the Suez Canal".

IV. A consultative body of user interests be formed on the basis of geographical representation and interests charged with advisory, consultative and liaison functions.

United Nations

V. That the Government of Egypt transmit to the United Nations the annual report of "The Egyptian Corporation for the Suez Canal".

Now, the principles which I have stated are common ground. So far as I could understand from the discussions they would not be subjected to any disagreement by anyone round this table. Now, when we come to the proposals, what we have proposed here is that the problems that are now facing us should be incorporated and, as I say, in a modernised new Convention which could invoke the sanction of international authority. It would invite all the sanctions including collective action under the Charter of the United Nations. If we are to say that one country cannot be brought into the legal system, into the world system of obligations, then that is a very serious situation indeed, especially in regard to those of us who are members of the United Nations, and Egypt itself is a member of the United Nations.

Again, I repeat, in regard to any violation that is a matter of legal contest, then it should be the obligation of Egypt to submit to the judicial pronouncement of the highest judicial authority.

The second: My delegation have been careful not to suggest that a conference of a larger character is necessarily to be convened, but we do not want to exclude that. If it is possible by diplomatic negotiations to get to the basis of an agreement, it may well be that another conference may not be necessary, and the Convention may be open to signature. But we do not want that to be excluded.

Then the next is that consideration be given, "without prejudice to Egyptian ownership and operation, to the association of international user interests with the 'Egyptian Corporation for the Suez Canal'." Now here the door is open for those who become engaged in negotiations to find the method, the quantity and the quality of this kind of association. We are informed on good authority that the Egyptian Corporation itself is setting up technical organisations on an international basis; there are also organisations for increasing efficiency and performance in regard to Canal operations. Therefore, there are no objections arising from that. It is not definitely stated in our draft what form this association should take. It is definitely necessary to leave it as at present because anything in the nature of an imposition is not likely to lead to settlement. On the other hand, through this door that will be opened, we have taken a step towards what may be called international co-operation instead of external international authority.

The fourth is that a consultative body of user interests should be formed on the basis of geographical interests, etc., and they would advise, they would consult and they would also perform liaison functions. That is to say, for example, an officer of the

authority could be attached to the authority, as indeed the Egyptian Commissioner was in the old days, only the position is now reversed.

I would submit the last of these provisions, the provision that the Corporation should report to the United Nations means that the whole of this administration is amenable to public discussion and to appreciation as to what extent the Convention has been observed, or as to any other action that should be taken. These are the submissions that my delegation makes and we want, with the utmost sincerity, to request you and this Conference not to embark on steps that would mean dictation. It is not possible, whether it be in the international authority, or whether it be in the maintenance of an uninterrupted service, to have a peaceful arrangement that does not bring Egypt into negotiations. What is the alternative? The alternative is the imposition by the Great Powers of this position, with all the consequences of the use of force that would necessarily be involved. We of the countries of Asia are alarmed at the situation — I do not say others are not — we are aware of the impact and of the reaction of nationalism to attempted imposition. We are aware of the expressions of nationalism, sometimes desirable, sometimes undesirable, in the countries of Asia and Africa, particularly in the Arab countries. Therefore, we say that any proposals that emerge from this Conference, that is by way of making the decision here, even if it is called a basis of negotiation, are likely to impede the path towards settlement.

I would like to say very deliberately and with the consciousness of my responsibility that the Government of India is convinced that, given the right approach and negotiations, it is possible to reach a settlement. And it is not a settlement that would be a victory for one party or the other, because that is not the way we have approached this problem. And it is in that conviction that we are making these submissions to you and it is not a question of any other proposal or changing one word here or one word there. At present, knowing the facts as we do — and other people must judge according to their own lights — we think that any attempt to bypass or substitute the action that has been taken to bring under Egyptian sovereignty and Egyptian ownership the Suez Canal organisation, would only lead to conflict. The consequences of that conflict are very serious. Already the disturbance that has been created to trade and commerce, the feeling of the world, and what is more, the position of the United Nations Organization, is alarming to our minds. We would say your country, Mr. Chairman, has a great record in conciliation and the recognition of the facts as they are. It may be that they have not yielded, in the short term,

the fruits expected. And also the other two associated with you have recognised both in their historical background and also in their recent actions the necessity to take account of the new conditions that prevail in the world, or the aspirations and the desires of people.

Once again I repeat, my Government and my country are not unconcerned in this matter. We would be the victims whether the Canal went out of service by the action of Egypt or by the act of hostility or war or conflict. Whatever the cause, the results will flow to us from the fact that the service goes out of operation. But we are even more concerned, if I may say so, at the dreadful consequences which would in effect reverse the currents that have been set in motion in regard to the relations between the Western countries and peoples, including the peoples of Asia and Africa, during the last thirty or forty years. We would hate to see the reversal of these currents, we would like that the reactions of people should be taken into account, and anything that is done here would have to take this factor into account. And we bring this to you not as parochial citizens of one country, or as parochial people in one part of the world, but with the full responsibility and realisation of our obligations to the international community and our appreciation of the ways in which a settlement can be reached. I plead with you to adopt the path of conciliation and not the path of dictation.

*SHRI V. K. KRISHNA MENON'S SPEECH AT THE SEVENTH
PLENARY SESSION OF THE LONDON CONFERENCE ON
AUGUST 22, 1956*

The debate, as it has developed after the initial procedural discussions appears to have been divided into three stages. The first stage concluded with the general debate. As I see it, we are now in the discussion of proposals which mark the second stage. Two proposals have been placed before the Conference. We will, I presume, enter the third stage when the Conference begins to consider how it should conclude the present phase of its work and what it should do with regard to the proposals and the other proceedings before it.

I want to say here and now that these stages should be kept separate, as indeed you, Sir, yourself suggested yesterday, and the Conference accepted your view.

My delegation would not be prepared to enter into a discussion of the proposals regarding procedures this afternoon. For our part we would have to make such reference, as is possible in the circumstances, to our Government before we can express ourselves definitely in this regard. My observations therefore will only bear upon the two proposals before us and our views of them and our reactions to those of other delegations.

First of all, Sir, there is the proposal of the United States of America, which has received overwhelming support of numbers in this Conference. I want to say at the outset that my delegation is entirely convinced of the sincerity of the motives underlying the approach of the United States; and furthermore that my delegation is animated solely by the desire to set in motion the processes of negotiation and conciliation to deal with the situation which we are here considering. Therefore, any observations one makes are designed not to question the motives behind the United States proposals, but relate rather to their character and their probable effect. I do not propose to deal with the amendments which came up yesterday, for while they may subtract something from the original proposals, they do not add anything to them.

Our approach to the proposals of the United States delegation will of necessity be governed by our larger approach to the Conference as a whole. From the very beginning, my delegation has made it clear that we look upon the purpose

of this Conference as one and one only, that is, to facilitate and to actually bring about negotiations. The Prime Minister of India said in the course of a statement he made on this subject on the floor of the Indian Parliament: "It is not possible for this Conference to reach any final decisions. The reason, apart from the complexity of this problem, is that even if it was the unanimous view of this Conference, any such solution would require not only the agreement but the participation of the absent party."

This is primarily what our own proposal seeks to achieve, *viz.*, to open the door for negotiations. As we said before, the present crisis is a crisis of confidence, and one where it is not possible to create confidence either by resolutions or by appointing the hour for it. It seems to us that the only way to inspire such confidence is to allay fears, try to relax tensions and to bring the parties in conflict together. It is from this point of view that I propose briefly to examine the proposals of the United States of America. There are thus two criteria by which these should be judged. Do they create the conditions that conduce to the beginning of negotiations? Secondly, do they take into account and squarely face the problems of which this Conference is seized?

Dealing with the second first, the main issues in the present problem of the Suez Canal are the freedom of navigation, security, the maintenance and the progressive improvement of the services provided by the Canal authority, the levy of tolls and all other cognate matters which are covered by the Convention of 1888, or should be incorporated in any future convention.

We believe that these problems are far more important to the international community than, say, the interests of the Suez Canal Company or even of the operating agent whoever that may be, important though such an agent may be to the technical need of ensuring that its services are of a competent character. These other things — the freedom of navigation, maintenance of the Canal, all future improvements, the fulfilment of contractual obligations with regard to tolls and so on, which are even today the responsibility of the Egyptian Government, can be ensured only if that Government accepts them as solemn obligations to the international community enforceable by — and conditioned by — all the sanctions attached to international law and usage and by the provisions of the Charter of the United Nations. In our opinion the proposals of the United States, while implying the need for all this, leave these matters alone, with the result that the interests of the international community in the maintenance of the freedom of navigation and in other matters to which I referred, are not covered. For

a country like mine the maintenance of the tolls at a reasonable level is of immense importance. All these conditions must be secured for ever with international penalties attached to their non-observance.

The U.S. proposals do not seem to be concerned overmuch with this problem and suffer, consequently, from an excessive emphasis on the character of the operational corporation, and this feature, I think, is a grave deficiency in these proposals and derogates from their constructive aspect. The result would be that even if negotiations were started, controversy would for a long time to come revolve round the question of the operational corporation, its duties, its functions, and so on. I should like to emphasize the word functions. Such functions would necessarily be limited by the nature of the relevant municipal and international law. No corporation can include, under the municipal law of Egypt (except in so far they are contractual obligations), provisions for surrendering any part of the legal authority of that law. Therefore, the only way to overcome the difficulty is to reaffirm the Convention of 1888 and to incorporate in it, in the light of the present conditions, these other matters, thus according to them an enforceable status in international law. There is no other way to securing these matters. Since the U.S. proposals do not take into account these considerations it follows, as a corollary, that the concern of the international community as expressed by the majority in this Conference has been diverted from its main avenues of expression, from the main instruments by which its objectives can be secured into something rather different. I think that such diversion is due to a fallacy which, in turn, is likely to lead to wrong remedies. If necessary, I shall return to this point later, but at the moment I shall examine the remedies that are provided in the proposals.

So far as the intention of the United States as explained both in public and in all private conversations that have gone on concurrently with the Conference is concerned, my delegation feels quite assured with regard to the motives underlying these proposals. Also admittedly, the problems that are to be dealt with are concrete problems. They are problems of a practical character, and if people sit round and negotiate with a view to finding agreement, even the most difficult of them tend to become amenable to solution.

I do not doubt for a moment that, in any negotiations, the position of the parties involved will be, to begin with, very far removed from each other or be even at opposite extremes; but the main task is to bring them together so that they may discuss their differences and negotiate a settlement. In the view of my Govern-

ment the U.S. proposals fail to do this. But, if they failed to do only that, we would not be nearly so distressed. In our opinion, Mr. Chairman and I submit this with the highest respect, they fail to do that because the proposal for the internationalisation of the operational arrangements is the very basis and purpose of those proposals, and whatever may be the various amendments that individual delegations have tabled, the text is there, and amendments are only supplementary or explanatory.

We have just heard the speech by the distinguished Foreign Minister of France who argued that the international corporation and the internationalisation of the functions of the Canal were the most important and the most vital matters to their position. This means that all discussions must proceed on that basis. From our knowledge of opinion in Egypt and the attitude of the Egyptian Government and of what other like-minded countries feel on this subject, we do not think this insistence will help to open the door for negotiations and indeed it will shut it. With the greatest respect to my friend and colleague from Ethiopia, it would be a great mistake to think that the difference between the U.S. proposal and that of India is one of quantity; it is one of fundamental quality. What is proposed in the U.S. scheme is that, in effect, Egypt would have the sovereign rights of ownership but not the sovereign power to exercise them! It is a new political theory to me that you can isolate sovereignty from its attendant rights and functions unless of course, it is for the purpose of delegating these functions of the exercise of the sovereign will. That delegation can only be done, therefore, by Egypt in the exercise of her own free will. What is asked for in the U.S. proposal is not that Egypt be requested to lease out certain rights or functions, which are integral aspects of her sovereignty, but that we impose on her our will and secure the lease. This is one consideration to be borne in mind.

Secondly, it has been said in this Conference not by you, Sir, perhaps, but by a number of other delegates that, irrespective of the rights and wrongs of nationalisation, irrespective of its validity, it is a *fait accompli* which has to be accepted. Therefore, we were told, we may proceed on that basis and see how we could resolve this crisis. I should like to examine this statement for one moment.

The act of nationalisation consists really of two components. One is the removal of the old authority — which is the removal of the Suez Canal Company. The second is the installation of the new Egyptian Corporation. Now when the protagonists of the U.S. proposals speak about the acceptance of the *fait accompli*, all that they are accepting is the first part; as for the second part, they have other

ideas. The U.S. proposals concede the acceptance of nationalisation only in so far as it enables them to put the proposed internationalised corporation in the place of the old Suez Canal Company. It would not thus be correct to say that the Egyptian act of nationalisation has been accepted. These proposals speak of the creation of a new board as though we were beginning with a clean slate. There already exists a board or authority. What happens to that? The proposed action seeks to displace it.

It is possible that there may be internationalisation; but it does not behove us to say whether it is good or bad *in vacuo*; for the essence of the problem is to secure the consent of Egypt. If Egypt has to lease the usage then it is necessary that she should initiate it or consent to it.

I think it would be well for us to remember that the rights of the international community in this are the rights of users; they are the rights that emerge from the fact that the community is served by this Canal, but they are decidedly not rights of a corporate character. That being so, we can only approach this problem of dealing with the principal party, namely the owner, by the process of negotiation. Therefore I would say that the difficulty about this proposal is that it would not enable us to take the initial step, and that is also the fundamental step. If negotiations with Egypt can be opened on this basis then all other problems can be regarded as minor ones. We have never considered that it is possible here to set out in a detailed form the structure of any new arrangements that might be brought about. And yet these are in essence set out in the U.S. proposals.

Then there are other matters which have not been much spoken about in this Conference because, in a sense, they pre-suppose agreement between the contending parties. There is for instance the question of the employment of effective sanctions for any violation of a convention. We do not feel that we could be a party to the setting up of machinery for the enforcement of sanctions by groups of countries who are also members of the United Nations except in so far as this is permitted by Article 51 of the Charter; but this becomes operative only if such countries are attacked or faced with threat of an attack. That is to say, any sanctions that are employed in the case of violation of international agreements must be in conformity with the existing law and above all, must derive their validity from the Charter. We cannot subscribe to the idea of setting up an *ad hoc* machinery for that purpose. That is all I desire to say about the proposals put before us.

We would be willing to subscribe to any formula that comes out of this Conference, irrespective of our differences in regard to minor details if it would open the door for negotiations. In this case, I repeat again that not only do these proposals not open the door but they slam it tighter. Their effect would be to harden this conflict, to increase tension and, what is more, to force to one side or the other an increasing number of nations of the world according as they accept or reject these proposals. In this ranging of forces there would be on the one side not only Britain and France who originally took the initiative but other countries as well. This would create greater cleavages particularly as between certain parts of the world. In the course of the last few days we have, in this Conference room or elsewhere, used our best endeavours to dissuade delegations from proposing courses of action which might cause such cleavage. We recognise that the proposals, both in their formulation and in the ideas that have gone into them, are now more limited, and therefore, smoother, and these amendments are all improvements. But that does not change the fundamental character of the proposals, and that is the difficulty.

It is with these considerations in mind that our proposals were submitted. The first part of them deals with those problems that have to be solved which have been relegated to a back seat on account of the general obsession with the setting up of the proposed corporation. The proposals that we have put forward — there are five of them in all — have been the subject of some misinterpretation including that which we heard from the Chairman just now.

The first two articles deal with solutions to the problems which are vital and seek to ensure consistently with international obligations that our objectives are secured through a treaty. And that is why it is necessary, in any negotiations with Egypt, to re-establish and reaffirm the Convention of Constantinople adapted to modern conditions, with such modifications and emphasis as may be necessary, and with the assent of all those who will be parties to it. With all the pressure of time and the tension that now prevails, the question whether we should proceed in one particular manner rather than another, must be left for future consideration.

I heard my distinguished colleague from Ethiopia saying the other day that whatever we do here we should do as though Egypt were present. It follows therefore our first duty should have been to consider the counter proposals which the Egyptian Government made in their reply to the United Kingdom. These counter proposals related to the convening of another conference for the consideration of the treaty obligations to which I referred. These proposals have however

not been considered by the Conference. Articles one and two of our proposals, consequently, endeavour to take into account the question of treaty obligations to be settled in a conference.

Now we come to the status of the international community as the users of the Canal. I heard my distinguished friend, Mr. Selwyn Lloyd, say a little while ago that the Indian proposals make provision only for an advisory and consultative committee. I would, with very great respect, point out to him that the very nature of our proposals which is one characterised by its brevity would not have impelled us to put one idea into two articles! There are two different items in our proposals which imply two entirely different ideas. Admittedly, paragraph 4 envisages a consultative committee, on which comparative agreement obtains in this Conference. Even if for the purposes of argument it was decided to have an international corporation, there would still be room for a consultative committee of users. The consultative committee is thus an entirely separate proposal. We propose that it advise the canal authority, whatever its character, arrange consultations among the parties served by and interested in the Canal, and maintain liaison.

The third item in our proposals is a completely separate one. It suggests that consideration be given, without prejudice, to Egypt's ownership and her right to operation, to the association of international user interests with "The Egyptian Corporation for the Suez Canal". This provides an umbrella under which negotiations can be conducted. We think that under that item it would then be possible — not only possible but legitimate — for any user nation, to put forward ideas which even go further than what has been proposed by Mr. Secretary Dulles in his memorandum to the Conference. But to specify this right any further would be to specify one type of association rather than another. What we want is to be able to bring Egypt, as indeed all the other parties, into a situation where no discussion can be out of court as long as it does not question Egyptian ownership of the Canal and her right of operation. My Government regards this as vital.

If it is necessary to persuade Egypt to agree to negotiations it cannot be done by challenging her right to exercise her sovereign power. Although those who supported Mr. Dulles's proposal have also repeatedly said that we should not do this, the proposal which they endorse would itself, in effect, detract from Egyptian sovereignty. Therefore the third item is as vital to our proposals — if not more so — than the others. The last one of the articles elevates agreements to the status of treaty obligations and the treaty can be considered periodically by the United Nations, where the international com-

munity can pronounce on its provisions and criticize them. International opinion, the best corrective in the world, can then be brought to bear upon this agreement in order to make it a continuing one.

It is with these ideas in mind that we have put forward these proposals. It has been pointed out that the proposal for an advisory body would entail divided control. On the contrary, it is an international corporation that brings in divided control. And, perhaps, Mr. Chairman, we must make allowance for countries like Egypt whose memory of mixed tribunals, of extra-territoriality, and of capitulations is possibly still fresh. So that any proposal we put forward which implies mixed administration — I do not want to call it by any other name — or condominiums, co-ownerships, has not much chance of winning the acceptance of such countries. I want to submit with great respect that the recommendation in paragraph 4 does not ask for divided control. The consultative committee obviously does not control, but it certainly influences, and it is a prime characteristic of civilized society and of co-operative working that advice and consultation are as efficacious at times, sometimes more so, as control. That in the sense of our modern way of life, everything does not necessarily emanate, as in the classical age, from the sovereign as an order, but is the result of the impact of various forces and processes that work in society. Therefore paragraph 4 cannot be regarded as in any way introducing an element of divided control leading either to inefficiency or to anarchy in any way.

On the other hand, if an international corporation is to be set up in Egypt under the present political circumstances, it is more likely to introduce into the operation of one institution diverse factors that will make for discord. Therefore, the two proposals posit two different approaches. We have endeavoured, both inside this Conference and outside it, to see how these can be reconciled, if at all, but the first part, which I think is contained in the operative part of the proposals of the United States, makes this impossible. We are most concerned, as you are all, that this Conference should lead to another stage. As I said the other day, we look upon this as only the first of a series of attempts that are to be made in quick succession in order to bring this situation to a satisfactory conclusion, but we fear that the U.S. proposals do not pave the way towards the meeting of minds or of parties.

With all the sincerity of which I am capable I would ask this Conference not to fall into the error of taking a step which would add to the present complication. I say this not from my own point of view — we may be wrong though I hope we are not — but from the point of view of objectivity. Let us look at the situation : until

now the proposal we have been debating has been made by two or three Powers, who while having a great interest in the Suez Canal are not necessarily of the same mind on every aspect of this question.

The essence of their proposal — let us look it in the face — is to internationalise the Suez Canal Corporation. This is what the proposal really amounts to, despite all the reservations expressed in the debate. What is proposed, in effect, is internationalization in place of nationalisation, international authority in place of national authority.

The international authority would be established not by Egypt taking the initiative in this matter. If there is to be an international corporation, the initiative, at least in formal terms, would have to come from the country in whose territory the organisation is to be located and is to function.

I will not enter into the legal arguments on this matter. If there are rights that are being violated, that should be settled. I do not think that either the rights of shareholders in the Suez Canal Corporation, or even the misdeeds of the Egyptian Government and the manner in which they have nationalised it, are legitimate causes for creating, or permitting the continuance of an international crisis. They are matters which have got to be decided in other ways.

As one of the poorer nations of the world, we depend for our foodstuffs, for our economic development and for our existence, on the capital goods and services that may be available from the rest of the world; we depend on foreign exchange which we can only earn through traffic by sea; we are, therefore, deeply concerned about the continuance of this deadlock. As each day goes by it does not improve; it has been said, moreover, in this Conference, that the pilots will stay in their posts only till the Conference is over; and after that one does not know what will happen. I am sure my distinguished colleague, Mr. Selwyn Lloyd does not mean this as a threat, but there is an audience outside of this Conference, a sensitive one with some knowledge of its own history.

I recalled the other day the fact that the Khedive in 1888 would not agree to internationalisation. Is it contended that in the second half of the 20th century, people would be willing to accept external authority? I want to point out that anything which savours of extra-territoriality will not be acceptable to any one in Asia or Africa today and in the days to come. This is not an argument about colonialism, or anti-colonialism. Whether or not there is justification for it, anything that has the suggestion of extra-territoriality, or of any imposition, is not likely to take us where

we want to go. And I again plead in all sincerity that we do nothing in this Conference to shut the door to negotiation.

My Government is firmly convinced that, given the right approach, the Governments concerned could contribute towards and eventually bring about a calmer atmosphere in the weeks to come. It is possible to establish the kind of arrangement which, while everybody may not regard it as the most ideal one, (neither Egypt, nor the others) will nevertheless enable the Suez Canal to function satisfactorily, and whose deficiencies could be remedied by co-operation which will grow. It is with that in view, Sir, that I, even at this late stage, ask this Conference not to endorse proposals that would set up a barrier in the way of cooperation.

The Indian Government does not ask you to accept our views as to how it should be done. I do not ask the distinguished representative of the United Kingdom or anyone else to accept our views on what be the intentions or the propensities of the Government of Egypt. We are not here to stand guarantee for them; but we do say it is the considered view of the Government of India that we desist from struggling to force the matter one way or the other.

The last important observation I want to make is — and it is of some importance — that we do not want to be faced with a situation where either the United Kingdom or France, the main parties initially concerned, end this Conference by establishing any fixed position that precludes further negotiation and merely ensures the continuance of deadlock. We have no objection to their entering into negotiation for restitution of the Suez Canal Company but do not let us put that down as a condition conceived here. Whatever it is let us put down as preconceived conditions only those things which, under persuasion and pressure, the other side will also accept. The other side is not here. It is our considered view, our informed conviction, that while we may have difficulty even with regard to the proposals that we put forward, they provide all that we shall require at the present time. They contain the principles on which international cooperation can be established and on this basis the problem of the Suez Canal can be resolved. But if an approach, either as contained here, or of some other character is not made, then we have daily to solve the problem of the operation of the Canal and live in constant dread of a failure to do so.

Feelings have been aroused; there is dread of the consequences that might follow which will aggravate the situation, and the crisis which is difficult today may become worse tomorrow. I request this Conference not to do anything which would shut the door

against Egypt's entry into the negotiations. This would be the result if the United States proposals, couched as they are in the most courteous language, inspired as they are by the desire to bring about negotiations and to lower the tensions that exist, are allowed to go forward.

I think those of us who have considered it proper to mention the proposals made by the delegation of India in their observations have all referred to its character in this respect: even the movers of the amendment have done so; but it is not sufficient for us to feel and express sentiment, it is essential that such sentiment should be reflected in the action we are taking, and the action proposed is opposed to that sentiment. And, Mr. Chairman, I wish once again to remind you, that there are other issues to be taken into account. There is a continent that is awake, and whether they are objectively in the right or not, it is very wrong, it is very dangerous to disregard their susceptibilities. That does not mean we are to pander to every kind of mob opinion everywhere. In dealing with countries formerly subject to empires, where the rights of nationalism and sovereignty have assumed exaggerated importance in many cases, the way to deal with them would be to convince them that their self interest lie in the way of cooperation. This can only be done by bringing them into the field of negotiations in the first instance.

In conclusion, I wish to emphasise that item 3 of our proposals is not just a string of words; they are probably the key to settlement in the future. My Government has put it down after considerable deliberation and in the full knowledge of the views of both sides and in the interests of international cooperation.

PRIME MINISTER NEHRU'S STATEMENT IN THE LOK SABHA
ON SEPTEMBER 13, 1956

I should like to say a few words in regard to the latest developments relating to the Suez Canal issue. I would have preferred making a statement a day or two later when fuller information was at our disposal. At present we have only seen the press reports of the speech of the Prime Minister of the United Kingdom, Sir Anthony Eden, in the British House of Commons yesterday.

As, however, Parliament is adjourning this evening, I may not have an opportunity to make any statement for some time and therefore, I am saying these few words now.

The House knows of our earnest efforts to bring about a negotiated settlement in regard to the Suez Canal. It has been clear to us that any other approach to this problem or any attempt to impose a decision would not only not bring about the results aimed at, but might lead to much graver consequences, the extent of which it is not possible to foresee. At the Conference held in London, we pleaded with all the force at our command for steps to be taken to bring about negotiation and certain broad proposals were set out by us. We were supported in these proposals by Ceylon, Indonesia and the Soviet Union. The majority of those present at the Conference, however, adopted, as is known, a different line.

From the press reports of Sir Anthony Eden's speech yesterday, it is not possible to assess fully the meaning and import of the actions, said to be contemplated, by the Governments of the United Kingdom, France and the United States, until we have fuller reports through official sources.

The action proposed to be taken by the three Governments, which purports to be in the interests of the users of the Canal and to maintain freedom of the use of the Canal, seems, to say the least, surprising and the consequences that may flow from it may well be very grave. One thing is clear, and that is that the action proposed is not the result of agreement, cooperation or consent, but is to be taken unilaterally and thus in the nature of an imposed decision.

The Government of India deeply regret this development which is very unusual and will render peaceful settlements more difficult

of realisation. It is not calculated to secure to the users peaceful and secure use of the Canal, which should be, and is, what is required by the users and the international community.

The Menzies Mission, which recently visited Cairo, asked the Egyptian Government to accept international control of operation and administration and the establishment of an international corporation displacing the Egyptian National Corporation. Egypt has declined to accept them as being contrary to her sovereign rights and not related to the purposes which the Convention of 1888 and the interests of users which are freedom of navigation, tolls, maintenance of the Canal, etc., the Egyptian Government alone can guarantee.

The reply of the Egyptian Government has opened a way to negotiations. In the view of the Government of India such negotiations could have led to a settlement which would have met all requirements of the users and the international community without prejudice or derogation to the sovereignty of Egypt and her national rights in respect of the Canal which is admittedly an integral part of Egypt.

I have in the last few days communicated to the Prime Minister of the United Kingdom and the President of the United States of America our view that the situation that emerged after the Menzies Mission and the statement made by the Egyptian Government accepting all international obligations and inviting negotiations, opened a way to settlement. We appealed to both the United Kingdom and the United States to consider all this and to enable the development of negotiations which will lead to settlement. We hope that despite all that has happened, and the tensions that have been engendered, the path of peace will be followed. There is here no question of appeasement of one side or another as what is to be sought and can, in our view, be obtained is a settlement satisfactory and honourable to all concerned.

The Government of India earnestly hope that the appeal we have made will not be in vain. The Government have right through the course of this development used their influence with all parties for restraint, negotiations and a peaceful settlement.

To seek to impose a settlement by force or by threat of force is to disregard the rights of nations, even as the failure to observe international treaties and obligations would be.

The Government of India also regret to learn from press reports that pilots of British, French, Italian and other nationalities are being withdrawn. This is an action not calculated to promote the use of the Canal and is not in the interests of user nations.

The Government of India are desirous that no statement of theirs should come in the way of the efforts to lower tension and to open the way for negotiations.

But they cannot fail to point out that the steps announced, to assume the operation of the Canal without the consent and co-operation of the Egyptian Government are calculated to render a peaceful approach extremely difficult and also carry with them the grave risk of conflict.

I should like to say that I have read the report of Sir Anthony's speech with surprise and regret that it appears to close the door to further negotiations. The action envisaged in it is full of dangerous potentialities and far-reaching consequences. I earnestly trust that even now it is not too late to refrain from any such action and to think more in terms of a peaceful negotiated settlement, which only can achieve the results aimed at in regard to the proper functioning of the Suez Canal for the good of all countries concerned, as well as for the maintenance of friendly relations in the Middle Eastern region and the whole of Asia. As I have pointed out previously, the proper functioning of the Suez Canal is of vital importance to India. We are convinced, however, that this can only be achieved through peaceful negotiated settlements, ensuring the rights not only of Egypt but of all the user countries

EXCERPTS FROM SHRI KRISHNA MENON'S SPEECHES ON MATTERS OF PROCEDURE AT THE LONDON CONFERENCE

Shri V. K. Krishna Menon had to make a number of interventions on matters of procedure in the course of the London Conference on the Suez Canal. These were on questions, such as whether, the Conference should be bound by the rules of procedure applicable to the United Nations Committees and whether the decisions should be arrived at by voting. These matters were raised at the very beginning of the Conference. Towards the end of the Conference, there arose the question of transmitting to the Egyptian Government the results of the Conference. This, in turn, raised the question of "majority" and "minority" views. Excerpts from Shri Krishna Menon's speeches on these matters are set out below:

FIRST PLENARY SESSION HELD ON AUGUST 16, 1956

It was far from our intention that we should involve ourselves in any procedural discussion. Generally speaking what you have said seems to be a workable arrangement, but we want to make it clear at the beginning so that there shall be no difficulties later, that this matter of applying the general principles of the United Nations procedure or any other procedure will be governed by the fact that so far as we are concerned we could not subscribe to any decisions on substantial issues in this Conference by the method of voting. The reason is very simple. In the United Nations the membership is based generally speaking, on the principle of universality, and everyone knows what the rules are. Here, on the other hand, is involved, as the Prime Minister of the United Kingdom has said, an issue of very grave importance on which our Governments have to take decisions and make their own contributions; and we have come here to make such contribution as we can towards a peaceful settlement of this problem. I hope what you have said applies only to the technical aspects of procedure, and not to substantive questions.

To agree that this Conference be bound by majority decision on matters which have great implications will be prejudicial to the purposes of this Conference.

* * * * *

Mr. Chairman, I said when I began that my Government intervenes in this matter with very great reluctance, because we are not

here to discuss fine points of procedure but to make a collective effort towards resolving a situation.

This may be called a point of procedure but it is really a matter of fundamental substance. I frankly confess that I am surprised that despite the great wisdom and experience which rests in the United Kingdom in these matters, it should have been put to us that we could reach a decision by the counting of heads. The effect of such a decision would be either to spread to the world that even those gathered here by invitation are divided on certain questions or to put to Egypt something in the way of an opinion that has been reached in her absence.

It is not, with us, a question of whether other people should or should not have been invited. Our country and all others know our views in the matter from public utterances. We have come here despite the limitations on the attendance at this Conference and we do not desire to raise these points of differences.

I referred to the United Nations of which we are members by virtue of a Charter there we know our obligations beforehand; but this is an *ad hoc* Conference for a particular purpose and what we are being asked to do is to disregard our parliamentary procedures, disregard the views of our Government and, much more, to throw away the capacity, however small, which we may have to contribute towards the solution of a problem which at the present moment is indeed grave.

I would appeal to you, Mr. Chairman, not to force this issue; but if you are going to press this question, as you have done so, my delegation requests that we adjourn for the moment for private consultations. We would not want to be pushed into a position where we found ourselves disabled. I would not put it further than that.

SEVENTH PLENARY SESSION HELD ON AUGUST 22, 1956

Mr. Chairman, I have already conveyed to the Conference the views of my delegation on the question of conveying any decisions of this Conference. We are not in a position to deal with our own views today with any finality, but the proposal that is now made by the distinguished delegate of New Zealand and supported by Secretary Dulles raises the whole question of how this Conference is going to function from now on. We are told that the proposals made by the Secretary of State for the United States has 17 supporters, and therefore will be conveyed to Egypt. Well, if that is to be the decision of the Conference, then we have taken a vote and the Conference is asked to accept this majority view and to submit it to Egypt. This method is entirely justified on behalf of the concert

of 17 states, but I cannot see how the proposal can go from this Conference representing only part of the composition.

I think my delegation has gone out of its way to present its point of view with moderation and with the sole desire of getting Egypt into negotiation. Those who do not see the prospect of negotiations in that approach, wonder how they could participate in the decisions that you propose to take; the essence of Mr. Macdonald's suggestion is that because a certain number have agreed to a certain proposal it would be transmitted to Egypt as a basis of negotiations and for ascertaining their reactions. Well, that at once cuts this Conference into two pieces; if that is the desire then I think it is only fair that it should be stated beforehand, so that other delegations can consider the position.

* * * * *

I would like to say there is no objection to any number of countries wanting their views to be communicated to any party and the Conference agreeing to it, provided all proposals are treated on an equal basis. Our idea is that we cannot decide this by majorities and minorities. If these eighteen people desire to meet and send their resolution or their proposals I think not only would there be no objection to it, but if, as a result of that, the purposes we have in mind are attained, we shall all be very happy.

There are two proposals, and they are both intended to bring about the purpose of this Conference, namely, to bring Egypt into negotiation. There are differences among us as to the usefulness of one or the other, or the sufficiency of one or the other. If your proposal is adopted you are asking the whole Conference to agree to a certain number of its members taking an action, which is only part of the proceedings of the Conference. If that is your view, if proceedings of the Conference are equivalent to submission of proposals, then the right thing to do would be to submit the whole of the proceedings and not detach one set of proposals and put them to Egypt in that way.

As I said, my delegation is not in a position to explain their final attitude on this matter without instructions from the Government. But I would like to say, Mr. Chairman, that your statement a while ago rather disturbs me. That is why I want the script of it. We are here to try and conciliate someone who is not here; it presents a difficult problem. As a result of that we are ourselves going to become a problem in conciliation that is a very amusing situation. Therefore I hope you will not by any exercise of your discretion or your interpretation of what is logical, bring about too precipitately a situation where the character of the Conference

would not be a contribution towards the purposes you have in mind; because in trying to solve one problem you will be creating another problem without solving the first.

My delegation wish to state that the procedure now put forward by New Zealand is not acceptable to us, not only to the delegation, but it is contrary to the basis on which the Government of India accepted the invitation of the United Kingdom Government. It is contrary to the purposes for which we have met here, and its effect will be to accentuate the difficulties in the way of bringing about negotiations.

It will be entirely appropriate, in communicating with the Egyptian Government, to indicate the amount of support that one proposal or another has. Indeed, the Egyptian Government could draw that inference from the transmission of the transcript to them.

It should not be forgotten that a decision of this kind, made public, would put what may be called the dissenting Governments in a position of second-class membership of this Conference, which could make it very difficult for them to defend themselves to their people. I am sure, Mr. Chairman, with your great wisdom and experience, you have considered all these implications, or will do so before you give final rulings on this matter, which naturally we shall have to respect and give consideration to as appropriate.

EIGHTH PLENARY SESSION HELD ON AUGUST 23, 1956

Mr. Chairman, it is regrettable that at this stage of this Conference, we should decide to lose ourselves in considerable procedural wrangle. Whatever may be the theoretical correctness of voting or otherwise, it is quite obvious that we have not gathered here together as a democratic assembly. We have gathered here on the basis of a list that the United Kingdom had chosen, in which we are grateful to have been included. With regard to what can be done at this stage there is certainly a difference between the New Zealand proposal of yesterday, and the New Zealand proposal of today. The view of my delegation is that if proposals are going to be sent to Egypt it is better to send all the proposals, and since the documents of the Conference will be transmitted the Egyptian Government would be able to see what support and from where it came on each of the proposals.

I personally do not see any objection, in principle, to a communique. What its content should be is a matter that is not nearly so easy. It is the usual procedure of Conferences where communiquees are decided upon without a vote, that such communiquees be drafted by representatives of differing views so that the text is a

compromise arrangement, an agreed arrangement, setting out the maximum degree of understanding.

Therefore, if, in principle, there is no objection to a communique, and the Conference is willing to devote some time to it, such a communique should simply state what are the main points of agreement at this Conference. There are some very notable ones and these only should be included. Our view in regard to a communique is that it could be drafted by the people who may represent different views in the Conference — three, four or five as the case may be — under the chairmanship of the Chairman, and that it could be brought before the Conference here which can make any verbal alterations. The substance would, however, have to be decided in a group which is representative in character.

With regard to the sending of the proposals to the Egyptian Government, since what we are seeking is to try and draw them into negotiation and find a solution to the problem, it would be desirable that all these proposals should be before them. There is, however, nothing that can prevent any group of countries sending any communication that they desire as their own. That has been agreed to from the very beginning. Therefore my delegation suggest that the Chairman should send the proceedings of this Conference to the Egyptian Government and if he can get the support of this meeting for having all proposals transmitted separately, that may be done. If this is done, there is a possibility that negotiations may begin.

Next arises this difficult question of apparatus. It has been proposed by the distinguished delegate from New Zealand that a committee should be set up for the putting forward of a particular point of view. The views of a particular group of delegations may, according to the desire of that group, be presented. This may be done irrespective of the fact that it will present a division of opinion in the Conference. It may be done outside this Conference and obviously people who are not involved here may participate in that conference, because people who are not involved in that 18 cannot decide what the 18 should do. That is quite obvious. I do not think any question of democracy or bureaucracy arises in that.

If the 18 want to make a decision they can make it and they can make it in the manner they wish, but it would not be a reflection of the views of this Conference.

The only difficulty arises when anything is said as emerging from this Conference which is exclusively confined to a large or small section. Equally, it would apply to anyone else, and it is not

a question really of size which matters. The supporters of the New Zealand proposals are quite willing to include the suggestion made by Spain, which is without support. Yet, they have serious objections to sending out the proposals made by the delegation of India which have four countries supporting it, and has been the subject of discussion in this conference over a very long period.

Now, we are not, at this Conference, prescribing a solution for the problem. We are putting before the Egyptian Government material attracting them to an attitude of mind for negotiation. The alternative, as my delegation therefore suggests, is that both these proposals be sent and that the Chairman also send the records of the Conference; and if either a country or a group of countries desires to explain the position to the Egyptian Government or try to persuade them to accept it—and here I would like to say, Mr. Chairman, we would have very great difficulty in persuading the Egyptian Government to accept our proposals—they are free to do so.

Then, in the next stage, it is possible that the Egyptian Government having considered these various other views would be able to produce something that is nearer a kind of agreement and may be a solution to this problem. I hope the conference will not decide to do anything which does not reflect either the basis on which we are assembled here, or the purposes for which we are gathered. I have made these observations in the earnest desire to assist at this stage in the conclusion of these proceedings.

**PRESIDENT'S
SECRETARIAT**

LIBRARY